

# PVRINOX Ltd. (PVRINOX)

Film Exhibition | 4QFY25 Result Preview

April 03, 2025

## Dull quarter as overall content disappoints

### Key Points

- 4QFY25 will likely be a weak quarter with occupancies closer to ~21% on the back of weak content. This will have an adverse impact on occupancies as well as the highest margin advertisement revenues. While January was an average month, February saw strong momentum and March turned out to be a wash out due to disappointing content and some impact from the champion's trophy '25.
- The highest grossing film for 4QFY25 was 'Chhava' with a GBOC of Rs7bn in India and PVR had a 32% share in the movie which is lower than the usual 40% as this movie was running in a lot of small towns too where PVRINOX is not present. Apart from this, Bollywood content was disappointing with big ticket movies like 'Deva', 'Diplomat' and 'Sikander' doing below average collection. The only other strong performer was 'Sky Force' with a GBOC of Rs1.5bn from this genre. Hollywood releases in 4QFY25 were very low with none of them able to make a reasonable impact causing another setback for PVRINOX as it has a market share of ~60% when it comes to Hollywood BO revenue in India. The regional genre continues to be the outperformer this quarter as well due to multiple strong performers like 'Sankrathiki Vasthunam' with Rs2.3bn GBOC, 'Game Changer' with Rs1.7bn GBOC and 'Dragon', 'Vidaamuyarchi' and 'Daaku Maharaj' with a GBOC in the range of Rs1-1.2bn respectively. However, the market share of PVRINOX in the Regional BO is only ~15%.
- On the other hand, the re-release strategy continues to work for PVRINOX with good momentum in 4QFY25 and contributed ~8% to the revenue. Top movies were 'Sanam Teri Kasam' with a GBOC of ~Rs500mn and 'Yeh Jawani Hai Deewani' with a GBOC of ~Rs250mn.
- We understand that 1 blockbuster movie in a quarter is not enough to deliver a strong quarter and this has been an issue with the industry for the past few quarters now. We believe ATP and SPH will fall by ~7% and 10% on QoQ basis mainly because of content disappointment as well as the high base of 3QFY25 due to 'Pushpa 2' which had become the biggest movie for CY24.
- PVRINOX had been conservative in capital deployment with just 5 net screens added in FY25, as screen addition for 4QFY25 has been negligible. Till 9MFY25 it had added only 10 net screens with 77 openings and 67 closures.
- Things to focus on the call: (1) when can advertising revenue cross pre-pandemic levels? (2) Details about its ongoing efforts to make the entity asset light by focusing on management contracts (3) Expansion plans and by when will the net debt become zero (4) Update on experiments in ticket pricing and its new initiatives to increase occupancy levels (5) update on JV with Devyani International.

### Exhibit 1: Summary of financial performance by PVRINOX for 4QFY25E

Company (Rsmn)	Net sales		EBITDA		EBITDA margin (%)		PAT	
	4QFY25E	YoY (%)	4QFY25E	YoY (%)	4QFY24	4QFY25E	4QFY25E	YoY (%)
PVR-INOX	13,581	8.1	61	408.0	0.1	0.4	(1,039)	NA

Source: Company, Nirmal Bang Institutional Equities. \*Reported EBITDA numbers could be different, as IndAS116 has been implemented from 1QFY20. Our EBITDA numbers are pre-IndAS 116. The PVR and INOX numbers were merged from 4QFY23. Please refer to the disclaimer towards the end of the document.

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